



**GOCHNOUR & ASSOCIATES, INC.**

5231 South Quebec  
Greenwood Village, CO 80111

Tel (303) 770-7580  
Fax (303) 770-7564

August 12, 1999

Mr. Anthony Gallegos  
State of Utah  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Mr. Lynn Jackson  
Bureau of Land Management  
82 East Dogwood, Suite M  
Moab, UT 84532

**RE: Lisbon Valley Mining Co. LLC (Summo USA Corporation - Operator)  
Request to Perform Mineral Exploration (Drilling) - Lisbon Valley Project**

Gentlemen:

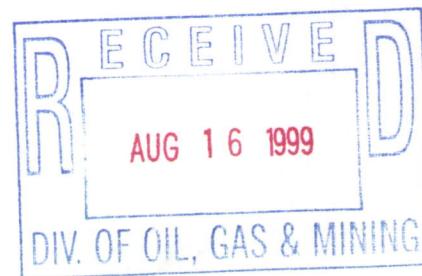
Per recent phone conversations, Lisbon Valley Mining Co. LLC (Summo USA Corporation - Manager) hereby requests approval from the Division of Oil, Gas & Mining (DOGM) and the Bureau of Land Management (BLM) to access and drill ten (10) mineral exploration holes on eight (8) drill sites at the Lisbon Valley Project.

The proposed activities are located on public (BLM) and State Trust Land (Mineral Lease #20569) in Sections 35 and 36, T30S, R25E. Access to the majority of the proposed drill sites will be via existing trails. Access to sites D, F, and G will require the reopening of access trails that have already been reclaimed as part of previous exploration efforts. A total of 2,950 linear feet of access trail reopening will be required. The width of these trails will be approximately 14 feet (= .95 acres). A map of proposed access routes and drill sites is provided as **Attachment 1**.

The majority of the drilling (6 drill sites) will be performed on the access trails and will not require pad construction. Two sites (Site A & D) will require the construction of a slightly larger pad (20' X 30') to accommodate two drill holes (vertical and angle). The projected disturbance for these two sites is .02 acres. Drilling depths will vary from 250 feet to 1,000 feet. Drill holes will be 5 inches in diameter.

The equipment that will be utilized to perform this proposed activity includes one minimal impact all-terrain reverse-circulation drill rig and support vehicles (pick-ups and drill rig support vehicles, etc.). Minor earthmoving equipment (dozer and/or backhoe) will be needed for this request to provide safe access, a level drilling surface, sumps to contain excess drill cutting material, and for reclamation activities.

No cultural resources or sensitive species of vegetation or wildlife are anticipated to be impacted by this request since proposed activities are located within existing/previously disturbed sites.



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Following completion of the drilling activities, the areas will be cleaned up. Cuttings will be shoveled back down the holes and the sites will be graded, contoured, and seeded. Groundwater may be encountered in two of the exploration holes (Sites A & E). The water could be encountered approximately 750 feet below surface. If encountered, these two holes will require a bentonite seal (plug) upon abandonment. For bonding purposes, Summo has projected a 250-foot bentonite plug for each of these holes. Reopened access trails will also be graded, contoured and reseeded. All support equipment and supplies will be removed from the site. An estimate of reclamation costs for bonding purposes is provided in **Attachment 2**.

Depending upon timing necessary to review this request, Summo may post an Addendum to their existing Reclamation Bond, or they may post a Letter of Credit, Certificate of Deposit, or Cash Bond.

Summo wishes to begin exploration drilling after the Labor Day Holiday. If you have any questions regarding this request, please contact me at the listed letterhead number.

Sincerely,



Lee "Pat" Gochnour  
Consultant to Summo USA Corporation

Attachments (2)

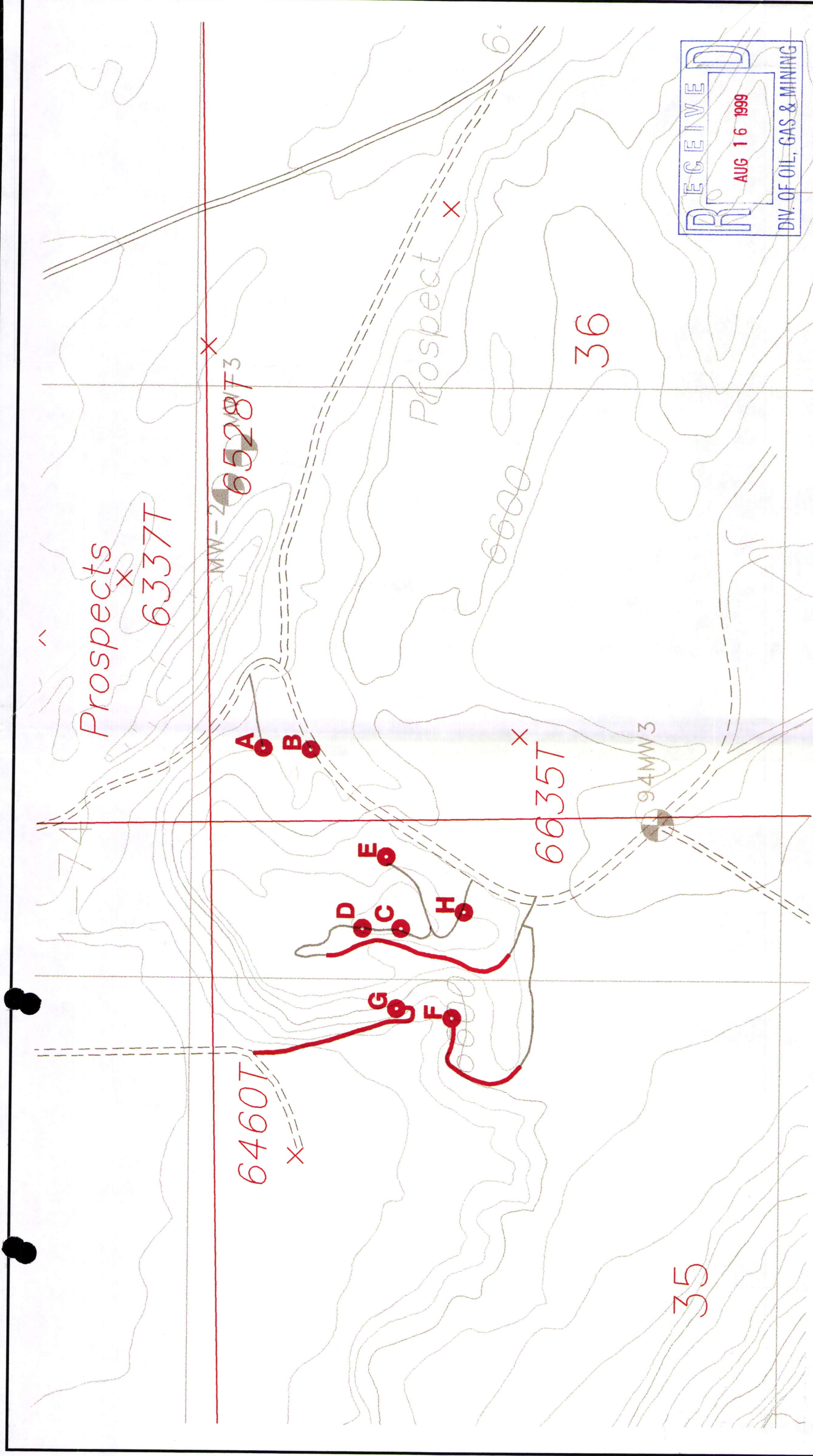
cc: Bob Prescott - Summo

Attachment 2  
Reclamation Cost Estimates

Bentonite Plugging - Up to 500 feet (5" hole) @\$3.00 per foot	= \$1,500.00
New Access Road Reclamation - 2,950 linear feet @ \$1.25 per linear foot	= \$3,687.50
Drill Site Reclamation - 8 sites @ \$150 per site	= <u>\$1,200.00</u>

**Total = \$6387.50**





- Legend**
- Existing Access Road
  - New Access Trail Construction
  - Existing Access Trail (No Construction)

T 30S, R25 E

RECEIVED  
AUG 16 1999  
DIV. OF OIL, GAS & MINING



GOCHINOIR & ASSOCIATES, INC.

**Lisbon Valley Project**  
August 12, 1999  
**Exploration Project**  
SCALE: 1"=500'

# Attachment 1